

ANNUAL REPORT FOR THE YEAR 1961

CORPORATION FILE



ANHEUSER-BUSCH / INCORPORATED

OFFICERS

AUGUST A. BUSCH, JR.
President

R. A. MEYER
Vice President and General Manager

FRANK H. SCHWAIGER
Senior Vice President — Brewing

WILLIAM BIEN
Vice President

C. J. HAUSER
Vice President

HENRY N. McCLUNEY
Vice President

JOHN FLANIGAN
Vice President

WALTER T. SMITH, JR.
Vice President

HUGO WANINGER
Vice President

J. KENNETH HYATT
Vice President

R. C. GADSBY
Vice President

THOMAS C. BURROWS
Vice President

OWEN RUSH
Vice President

RICHARD J. BENDER
Vice President

MARVIN D. WATERS
Controller

MRS. K. SIEBERT
Secretary

REID McCURM
Treasurer

C. E. EHRHARDT
Assistant Controller

R. A. RAWIZZA
Assistant Controller

THOMAS J. CARROLL
Assistant Secretary

JOHN L. HAYWARD
Assistant Secretary

DIRECTORS

EBERHARD ANHEUSER

WILLIAM S. ANHEUSER

AUGUST A. BUSCH, JR.
Chairman of the Board

DAVID R. CALHOUN, JR.

JOHN FLANIGAN

A. VON GONTARD
Vice Chairman of the Board

ANDREW W. JOHNSON

JOHN F. KREY II

H. NORRIS LOVE

J. W. McAFEE

R. A. MEYER

ADOLPH B. ORTHWEIN

CURT H. REISINGER

ETHAN A. H. SHEPLEY

JOHN L. WILSON

STOCK TRANSFER AGENTS

ST. LOUIS UNION
TRUST COMPANY
510 Locust Street
St. Louis 1, Missouri

CHEMICAL BANK
NEW YORK TRUST
COMPANY
30 Broad Street
New York 15, N. Y.

STOCK REGISTRARS

MERCANTILE TRUST
COMPANY
721 Locust Street
St. Louis 1, Missouri

MORGAN GUARANTY
TRUST COMPANY
OF NEW YORK
30 West Broadway
New York 15, N. Y.

DEBENTURES-TRUSTEE, REGISTRAR AND PAYING AGENT

MANUFACTURERS
HANOVER TRUST
COMPANY
70 Broadway
New York 15, N. Y.

EXECUTIVE COMMITTEE

AUGUST A. BUSCH, JR.
Chairman

R. A. MEYER
Vice Chairman

DAVID R. CALHOUN, JR.

A. VON GONTARD

ANDREW W. JOHNSON

J. W. McAFEE

JOHN L. WILSON

ANNUAL REPORT
TO
SHAREHOLDERS OF
ANHEUSER-BUSCH,
INCORPORATED

SAINT LOUIS, MISSOURI



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THE YEAR AT A GLANCE

	1961	1960
YEAR ENDED DECEMBER 31		
Barrels of beer sold	8,508,286	8,477,099
Sales—less freight, discounts and allowances . . .	\$402,047,784	\$400,900,568
Inventory turnover in cost of sales	7.7 times	7.9 times
All costs and expenses except taxes	273,260,626	269,785,079
All taxes	113,671,478	115,699,579
Per share	23.18	23.65
Earnings	15,115,680*	15,415,910
Ratio to net sales	4.9%*	5.0%
Return on average invested capital	10.1%*	11.0%
Per share	3.08*	3.15
Cash dividends paid	7,345,950	6,820,045
Per cent of earnings distributed	49%	44%
Per share	1.50	1.40
Earnings retained	7,769,730	8,595,865
Provision for depreciation charged to operations . .	11,157,507	10,580,827
Capital expenditures	19,433,657	17,076,280
FINANCIAL CONDITION AT DECEMBER 31		
Current assets	65,194,539	63,404,238
Current liabilities	14,064,725	15,063,537
Working capital	51,129,814	48,340,701
Working capital ratio	4.6 to 1	4.2 to 1
Per share	10.42	9.88
Investments and other assets	7,627,321	8,808,959
Per share	1.55	1.80
Net property	115,773,966	112,713,466
Per share	23.61	23.05
<hr/>		
Long-term debt	21,102,000	24,493,000
Per share	4.30	5.01
Net worth — capital stock and surplus	153,429,101	145,370,126
Per share	31.28	29.72
<hr/>		
Number of shares outstanding at December 31 . . .	4,904,491	4,891,539
Number of shareholders at December 31	16,820	19,680
Number of employees at December 31	8,387	8,711
Total payroll cost	\$ 73,355,037	\$ 73,070,079

*After loss on disposal of Miami plant \$891,858 (18¢ per share)

February 12, 1962
St. Louis, Mo.

THE PRESIDENT'S LETTER

To the Shareholders of Anheuser-Busch, Incorporated:

The year 1961 will be generally remembered as one of many uncertainties and contradictions.

Numerous predictions were made about the economy of the nation. These predictions were almost as varied as the number of forecasters who made them.

With the troubled world situation, with the new Administration in Washington—and other unknown factors—it is easy to understand why such a situation would prevail.

Insofar as our own Company, Anheuser-Busch, Inc., was concerned, the year 1961 ended up as a good one—although at times the final results seemed somewhat clouded.

For the first nine months of the year sales were behind the previous year. For the balance of 1961, however, the operating results were such as to make sales and earnings the largest in Anheuser-Busch's 109 year history.

Our sales were in excess of \$402,000,000, our volume was 8,508,286 barrels of beer.

This was an increase in \$1,147,000 in sales and 31,187 barrels in volume.

Our earnings for 1961 should be viewed in a dual light so that the results can be properly evaluated. We are reporting them with the sale of the Miami Regal plant included and also as the result of our normal business operations.

Earnings were \$15,115,680 or \$3.08 per share. This compares with \$15,415,910 or \$3.15 per share in 1960.

Net earnings (before deducting loss from sale of the Miami plant) set an all-time record for Anheuser-Busch, amounting to \$16,007,538 or \$3.26 per share.

The previous year, 1960, was the biggest year in Anheuser-Busch's history. The year just closed, 1961, has now established new records on almost every level of activity for our business. Not only was our beer volume up, but so were the sales and earnings for the Yeast and Corn Products Division.

The Yeast and Corn Products Division has become a very important part of Anheuser-Busch's diversified operations and accounted for approximately 14% of sales and earnings.

On February 1, 1962, we purchased from Rahr Malting Co. their malt plant at Manitowoc, Wisconsin. This plant will add 5,000,000 bushels of malt to the 2,500,000 bushels of malt we have been producing in St. Louis.

On February 2, 1962, our Company was served with notice that the Attorney General of the United

States had brought an action against Rahr Malting Co. and our Company, alleging that the acquisition of the Manitowoc plant violated Section 7 of the Clayton Act. It is our firm belief that our Company was not guilty of any violation of the antitrust laws in the acquisition of this plant from Rahr Malting Co. We will keep you advised from time to time of developments in this matter.

We have never made it a practice of trying to predict the outcome of business in the years ahead. It has been our theory that the most important factor in guaranteeing satisfactory results was the operation of the soundest kind of business on every level of our operation.

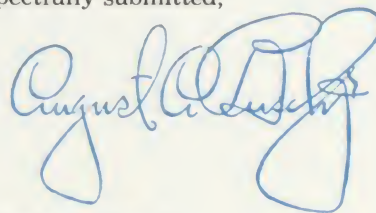
We will complete, in 1962, in excess of \$20,000,000 of improvements to our St. Louis plant, which will give us increased volume under the most modern and efficient conditions of operation.

Our marketing program for 1962 is geared to our analysis of the conditions which will largely govern operations for the year.

Details of the results of 1961 in comparison with previous years will be found in the sections of the report which follow.

It is again my privilege to extend to our shareholders, on behalf of the entire management group of Anheuser-Busch, the sincere appreciation of our officers and directors for their confidence in us.

Respectfully submitted,



August A. Busch, Jr.

President and Chairman of the Board

THE ANNUAL MEETING

of the shareholders of the Company will be held on Wednesday, April 25, 1962 at 10:00 a.m. A notice of that meeting and proxies on behalf of the management will be sent to the shareholders on or about April 2, 1962.

REVIEW OF THE YEAR

Condensed statement of beer volume and consolidated earnings by quarters is shown below:

	In Thousands			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Barrels sold (all beers)	1,816	2,417	2,420	1,855
Net sales	\$67,746	\$86,479	\$86,612	\$68,970
Depreciation provision	2,717	2,821	2,842	2,778
Income before taxes	5,744	10,613	10,219	4,298
Earnings	2,739	5,065	4,873	2,439
Per share	.56	1.03	1.00	.49*

*After 18¢ per share loss on disposal of Miami plant.

Return on average invested capital for the year was 10.1% compared with 11% for 1960, and the ratio of earnings to net sales was 4.9% compared with 5% for 1960.

Cash dividends of \$1.50 per share were paid in 1961 compared with \$1.40 in 1960. The Company paid cash dividends in each of the past 29 years, and stock dividends in the years 1953 and 1954.

A summary of the consolidated income statement on page 12 for the past two years shows the changes that took place during 1961.

	In Thousands		
	1961	1960	Increase Decrease
Net sales	\$309,807	\$308,755	\$1,052
Per cent			.3%
Cost of doing business	278,933	275,304	3,629
Per cent			1.3%
Income before taxes	30,874	33,451	2,577
Per cent			7.7%
Tax provision	15,758	18,035	2,277
Per cent			12.6%
Earnings	15,116	15,416	300
Per cent			1.9%

WORKING CAPITAL

Working capital at December 31, 1961 was \$51,129,814, an increase of \$2,789,113 over December 31, 1960. Working capital ratio was 4.6 to 1. Cash and marketable securities (excluding tax bills deducted from current liabilities), aggregated \$26,040,264, or 1.9 times current liabilities of \$14,064,725.

The following statement summarizes the flow of funds for the past three years and accounts for the changes in working capital:

	In Thousands		
	1961	1960	1959
SOURCE OF FUNDS			
Net earnings	\$15,116	\$15,416	\$13,029
Depreciation provision	11,158	10,581	10,083
Proceeds from stock options exercised	289	924	537
Other items (including Miami plant retirement in 1961)	6,397	370	623
Total	32,960	27,291	24,272
DISPOSITION OF FUNDS			
Additions to property accounts	19,434	17,076	14,180
Dividends paid	7,346	6,820	6,040
Long-term debt reduction	3,391	1,223	44
Total	30,171	25,119	20,264
Working capital increased	\$ 2,789	\$ 2,172	\$ 4,008

INCOME DOLLAR ALLOCATIONS

Comparison of the changes in the analysis of the Company's sales dollar for 1961 and 1960 is shown below:

	In Thousands			
	1961	%	1960	%
For materials and supplies	\$146,613	34.9	\$146,562	35.1
To governments for taxes	113,671	27.1	115,700	27.8
To employees for salaries, wages and benefits	71,667	17.1	71,313	17.1
For all other costs and expenses	72,550	17.2	68,138	16.3
Total costs and expenses	404,501	96.3	401,713	96.3
Cash dividends paid to shareholders	7,346	1.8	6,820	1.6
Earnings retained in business	7,770	1.9	8,596	2.1
Sales dollar	\$419,617	100.0	\$417,129	100.0

TAXES

Total taxes applicable to 1961 operations (not including the many hidden taxes included in materials and services purchased) amounted to \$113,671,000; direct taxes for the last three years were:

	In Thousands		
	1961	1960	1959
Federal and state excise taxes on beer	\$ 92,493	\$ 92,359	\$ 86,956
Federal and state income taxes	15,758	18,035	16,046
All other taxes	5,420	5,306	4,708
Total	\$113,671	\$115,700	\$107,710
Per share	23.18	23.65	22.20

PROPERTY

The following schedule presents capital expenditures and depreciated values for the past five years, including Busch Stadium:

	In Thousands	
	Additions	Depreciated Value December 31
1957	\$ 5,732	\$ 90,143
1958	23,138	104,580
1959	14,180	108,054
1960	17,076	114,293
1961	19,434	117,177
Total	\$79,560	

Our Los Angeles brewery expansion was completed in 1961. Expansion and modernization of the St. Louis brewery is now in progress with completion scheduled late in 1962.

On October 2, 1961, the Company consummated a sale of its Miami brewery.

Depreciation provision of \$11,157,507 includes \$1,686,200 of accelerated depreciation provided by methods permitted pursuant to the Internal Revenue Code.

SHAREHOLDERS

At the close of the year, shareholders numbered 16,820 compared with 19,680 at the end of 1960.

	Holders of Record	Shares Held
Men	4,903	853,093
Women	5,015	1,045,421
Joint names	5,529	398,747
Fiduciaries	747	1,171,826
Institutions, foundations, brokers, nominees and others	626	1,435,404
Total	16,820	4,904,491

EMPLOYEE RELATIONS

At December 31, 1961, employment was 8,387. Salaries and wages to officers and employees amounted to \$66,232,279. Pension,

life insurance and welfare benefits aggregated \$5,434,883; payroll taxes totaled \$1,687,875.

FARM PRODUCTS

Farm products purchased by the Company in 1961 had an aggregate value of \$39,195,000. Processing of brewers grains and corn produced 97,300 tons of high protein feed having a sales value of \$4,163,000, which was returned to the farm as feed.

The American farmer supplies the domestic hops, barley, rice, and other grains used in the production of beer; corn for various products produced from corn; and molasses used in the production of yeasts.

In the brewing of Budweiser, the Company is one of the few breweries using rice exclusively as an adjunct grain to barley malt.

RESEARCH

The Company has research organizations engaged in the improvement of existing products and processes and the development of new products.

Brewing research and development refers to investigation of all factors involved in brewing—from the raw materials to the finished product. It involves very basic studies as well as large, plant-scale testing programs in order to arrive at, and maintain, the maximum quality of all of our products. Development work has succeeded in providing means for reducing costs and capital expenditures for present and future expansions. Patents have been obtained covering highly economical and advanced equipment. Work on new products is continuing. One of the latest developments is the erection of a pilot unit (the first of its type) on the St. Louis premises for study and evaluation of the Phillips Petroleum Company's beer concentration process.

The yeast-corn products research department has developed new products and processes to improve and expand the Company's position in the field of corn products, bakery products, and pharmaceutical products from fermentation. Effort is being made to reduce production costs in the bakers' yeast operations by the use of modern equipment, instruments, and manu-

facturing techniques. New specialty corn starches and corn syrups have been developed.

ST. LOUIS CARDINALS

Consolidated operations of the Cardinals and its subsidiaries for their fiscal year ended October 31, 1961, including sales of player contracts totaling \$525,000 to the two new National League baseball clubs, resulted in a net gain of \$128,863.

MANAGEMENT CHANGES

During 1961, Mr. Richard J. Bender was appointed Vice President in charge of purchasing and Mr. R. A. Rawizza was appointed an Assistant Controller.

STOCK OPTION PLAN

On August 2, 1955, shareholders approved a restricted stock option plan for officers and key employees of the Company and its subsidiaries to the extent of 240,811 unissued shares of common stock. Option prices are not less than 95% of fair market value at dates of grant (110% in the case of a person possessing 10% or more of the combined voting power of the Company).

In 1961, options covering 89,150 shares at \$54.27 a share were granted. Options covering 12,952 shares were exercised at prices ranging from \$19.00 to \$36.575 a share.

At December 31, 1961, the following options were outstanding:

Date of Grant	Number of Optioned Shares	Option Price
November 14, 1955	668	\$ 19.00
October 22, 1958	200	20.90
September 16, 1960	2,700	32.93
December 19, 1960	3,180	36.575
December 18, 1961	89,150	54.27
Total shares	95,898	

LEGAL PROCEEDINGS

On September 10, 1957, the Federal Trade Commission entered an order which would prohibit the Company from reducing prices in any market where it is in competition with other brewers, unless it reduces its prices for the same quantity of beer everywhere by the same percentage. The Company appealed this order to the United States Court of Appeals for the Seventh Circuit and the controversy ultimately reached the United States Supreme Court. During 1961, the case was brought to a successful conclusion with the final decision in favor of the Company.

On October 30, 1958, the United States, acting under the direction of the Attorney General, filed a complaint against the Company and the corporations from which the Company purchased the Miami Regal brewery, alleging that the effect of such acquisition may be substantially to lessen competition or to tend to create a monopoly in the production and sale of beer in the State of Florida and in various sections thereof, in violation of Section 7 of the Clayton Act, and seeking an order requiring that the Company divest itself of all the business acquired from such other corporations, including trademarks, inventory and assets relating to the production of Regal beer in Florida. The Company negotiated with the United States a consent judgment which in effect required the Company to offer for sale the Miami Regal brewery at a price and upon terms acceptable to the United States District Judge having due regard among other things for the reasonable market value of the Miami Regal brewery and the necessity of effecting a prompt sale. On October 2, 1961, the Company closed a sale of the Miami Regal brewery, including trademarks, inventory and assets relating to the production of Regal beer and ale. The sale was made in compliance with the foregoing consent judgment and was approved by the United States District Judge at Miami, Florida.

On July 14, 1961, a complaint was filed against the Company by International Breweries, Inc. in the United States District Court for the Southern District of Florida, at Tampa, alleging that the Company is unlawfully using the word "Bavarian" on one of its beers, and seeking to have the Company enjoined from using the words "Bavarian" and

"Bavarian's" in connection with the sale or distribution of beer or closely related products other than in certain areas where such words were used on May 15, 1957. The complaint does not challenge the use by the Company of the trademark "Busch" in connection with the sale of Busch Bavarian beer.

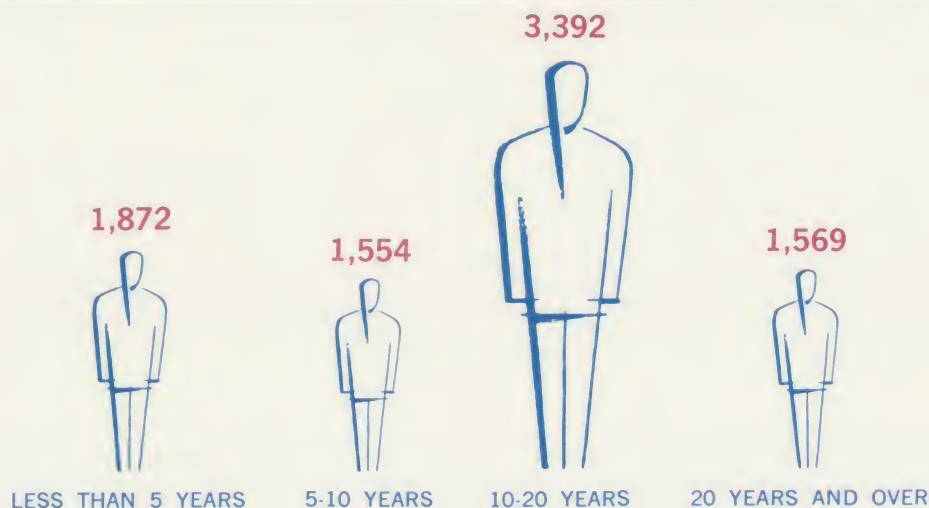
The Company was defendant in certain other lawsuits at December 31, 1961, the ultimate outcome of which cannot be determined at this time. The Company's liability under such suits, if any, would not materially affect its financial condition or operations.

OTHER MATTERS

The directors and shareholders of the Company have, subject to certain conditions, authorized an investment of \$5,000,000 in securities of the Civic Center Redevelopment Corporation which was formed to redevelop an area adjacent to the central business district of St. Louis by the construction of various improvements, including a stadium. The Company's obligations, in respect thereto, are conditioned upon the procurement from other sources of the balance of the required capital, the negotiation of a satisfactory lease for the use of the stadium by the Cardinals, and certain other conditions in connection therewith.

EMPLOYEES AND LENGTH OF SERVICE

8,387 total



The chart above shows the breakdown of employees as at December 31, 1961 according to length of service. Within the group of 20 years and over, there are 160 employees who have been with the Company for more than 30 years.

INDEPENDENT
ACCOUNTANTS
OPINION...

PRICE WATERHOUSE & CO.

14 SOUTH FOURTH STREET
ST. LOUIS 2

February 9, 1962

To the Shareholders and
Board of Directors of
Anheuser-Busch, Incorporated

In our opinion, the accompanying statements present fairly the consolidated financial position of Anheuser-Busch, Incorporated and its subsidiaries at December 31, 1961 and the results of their operations for the year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Our examination of these statements was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Price Waterhouse & Co.

CONSOLIDATED BALANCE SHEET



ASSETS	December 31 1961	December 31 1960
Current Assets:		
Cash	\$ 11,874,327	\$ 10,506,716
Marketable securities, at cost which approximates market.....	14,165,937	14,218,484
Accounts and notes receivable, less allowance for doubtful accounts of \$600,000 in 1961 and \$530,000 in 1960.....	13,054,390	13,736,625
Inventories, at lower of cost or market, cost being determined under the "last-in, first-out" method for approximately 47% of total inventories in 1961:		
Finished goods	5,703,753	5,155,653
Work in process	5,377,040	5,295,039
Raw materials and supplies	15,019,092	14,491,721
Total current assets	<u>65,194,539</u>	<u>63,404,238</u>
 Investments and Other Assets:		
Investment and advances — St. Louis National Baseball Club, Inc.	3,150,000	3,150,000
Busch Stadium, less accumulated depreciation of \$1,504,945 in 1961 and \$1,323,305 in 1960	1,403,052	1,579,747
Deferred charges and miscellaneous non-current assets	3,074,269	4,079,212
	<u>7,627,321</u>	<u>8,808,959</u>
 Property, at cost:		
Plant and branch properties —		
Land	6,180,222	7,463,407
Buildings	80,468,791	77,964,760
Machinery and equipment	114,114,740	109,108,500
Construction in progress	10,512,154	7,384,545
Other real estate	2,326,442	2,241,020
	<u>213,602,349</u>	<u>204,162,232</u>
 Less accumulated depreciation	97,828,383	91,448,766
	<u>115,773,966</u>	<u>112,713,466</u>
	<u>\$188,595,826</u>	<u>\$184,926,663</u>

The above statements should be read in conjunction with pages 7 and 8 of this report.

ANHEUSER-BUSCH, INCORPORATED *and subsidiaries*

LIABILITIES

	December 31 1961	December 31 1960
Current Liabilities:		
Current maturity of notes payable.....		\$ 900,000
Accounts payable.....	\$ 7,175,626	6,921,821
Accrued salaries and wages.....	2,434,328	2,364,425
Accrued taxes, other than income taxes.....	2,932,772	2,788,604
Estimated federal and state income taxes, less United States Government securities of \$9,509,275 in 1961 and \$10,395,386 in 1960.....	780,725	1,484,614
Other accrued liabilities.....	741,274	604,073
Total current liabilities.....	14,064,725	15,063,537
Long-Term Debt:		
3 $\frac{3}{8}$ % debentures maturing 1963 to 1977, less \$2,133,000 in treasury in 1961 and \$1,132,000 in 1960.....	20,202,000	22,693,000
4% notes payable in 1963.....	900,000	1,800,000
	21,102,000	24,493,000
Capital Stock and Surplus:		
Common stock, \$4 par value, authorized 6,000,000 shares (158,038 shares reserved under stock option plan); issued 4,925,898 shares in 1961 and 4,912,946 shares in 1960.....	19,703,592	19,651,784
Capital surplus (principally arising from stock dividends).....	9,724,428	9,486,991
Earned surplus (\$54,130,463 restricted as to payment of cash dividends under debenture indenture).....	124,478,133	116,708,403
	153,906,153	145,847,178
Less cost of 21,407 shares of treasury stock.....	477,052	477,052
	153,429,101	145,370,126
	\$188,595,826	\$184,926,663

CONSOLIDATED STATEMENT OF INCOME AND EARNED SURPLUS

	1961	1960
Sales	\$402,047,784	\$400,900,568
Less federal and state beer taxes	92,240,570	92,145,499
	<u>309,807,214</u>	<u>308,755,069</u>
Costs and Expenses:		
Cost of products sold	216,097,880	215,836,647
Marketing expenses	55,685,395	53,407,967
Administrative and general expenses	5,884,183	6,485,793
	<u>277,667,458</u>	<u>275,730,407</u>
	32,139,756	33,024,662
Other Income and Expenses:		
Cash discounts, interest, and other income	2,006,291	1,976,083
Interest and other expenses	(1,396,538)	(1,549,263)
	<u>32,749,509</u>	<u>33,451,482</u>
Provision for income taxes	16,741,971	18,035,572
	<u>16,007,538</u>	<u>15,415,910</u>
Loss on disposition of Miami brewery less applicable reduction in income taxes	891,858	.
	<u>15,115,680</u>	<u>15,415,910</u>
Earned surplus at beginning of year	116,708,403	108,112,538
	<u>131,824,083</u>	<u>123,528,448</u>
Cash dividends, \$1.50 a share in 1961 and \$1.40 a share in 1960 ..	7,345,950	6,820,045
Earned surplus at end of year	<u>\$124,478,133</u>	<u>\$116,708,403</u>

Provisions for depreciation of \$11,157,507 in 1961 and \$10,580,827 in 1960 are included in costs and expenses.

CONSOLIDATED STATEMENT OF CAPITAL SURPLUS

	1961	1960
Balance at beginning of year	\$ 9,486,991	\$ 8,722,112
Excess of option price over par value of common stock sold under stock option plan	237,437	764,879
Balance at end of year	<u>\$ 9,724,428</u>	<u>\$ 9,486,991</u>

The above statements should be read in conjunction with pages 7 and 8 of this report.

SALES, INCOME, DIVIDENDS, EARNINGS REINVESTED, DEPRECIATION and PAYROLLS...

	Barrels	Net Sales	Income Before Taxes	Earnings	Earnings Per Share	Dividends Paid \$Shares Outstanding	Per Share	Earnings Reinvested	Depreciation Charged to Operations	Direct Payroll
1933	607,511	\$ 15,049,833	\$ 457,251	\$ 325,529	\$ 1.81	180,000	\$ 3.00†		\$ 975,821	NA
1934	1,093,223	16,843,719	1,083,704	907,767	5.04	180,000	1.00	\$ 727,767	1,152,746	NA
1935	1,135,776	17,223,306	1,049,258	891,918	4.96	180,000	1.00‡	486,918	1,207,543	\$ 5,576,000
1936	1,376,692	21,150,154	3,715,984	3,041,653	16.90	180,000	12.00	881,653	1,285,920	6,356,000
1937	1,839,960	33,311,896	5,771,871	4,164,245	23.13	180,000	8.00	2,724,245	1,249,768	8,250,000
1938	2,087,188	35,803,704	6,773,409	5,445,867	6.05	900,000	1.60	4,005,867	1,428,096	8,922,000
1939	2,305,988	39,397,379	8,667,745	7,013,250	7.79	900,000	3.50	3,863,250	1,518,393	9,532,000
1940	2,462,211	42,859,413	8,624,393	6,407,883	7.12	900,000	4.00	2,807,883	1,709,360	10,288,000
1941	3,089,954	55,945,667	12,774,685	6,780,492	7.53	900,000	5.00	2,280,492	2,011,846	12,163,000
1942	3,492,343	68,009,070	15,744,654	6,439,818	7.16	900,000	3.75	3,064,818	2,463,575	13,690,000
1943	3,569,030	74,752,235	14,614,373	6,081,789	6.76	900,000	4.75	1,806,789	2,448,032	16,177,000
1944	3,692,352	76,668,879	13,755,798	5,639,253	6.27	900,000	4.00	2,039,253	2,662,119	16,825,000
1945	3,529,468	76,153,543	12,726,620	5,613,605	6.24	900,000	4.00	2,013,605	2,922,451	17,871,000
1946	3,026,413*	75,229,683	13,814,970	8,461,311	9.40	900,000	5.00	3,961,311	2,109,559	18,191,000
1947	3,608,903	104,401,628	16,221,459	9,883,845	2.20	4,500,000	1.20	4,483,845	2,240,280	23,096,000
1948	4,042,181	122,848,790	21,999,072	13,459,808	2.99	4,500,000	1.00	8,959,808	2,716,100	25,951,000
1949	4,526,115	135,304,255	23,780,430	14,509,752	3.22	4,500,000	1.00	10,009,752	3,343,994	29,178,000
1950	4,888,732	151,565,906	24,893,941	13,247,712	2.94	4,500,000	1.20	7,847,712	3,872,468	33,690,000
1951	5,479,314	179,405,026	20,926,313	10,776,927	2.41	4,475,000	1.20	5,391,477	5,053,180	39,175,000
1952	6,034,443	208,155,695	31,375,205	12,030,063	2.69	4,475,000	1.20	6,660,063	5,391,292	42,535,000
1953	6,711,222	237,003,969	36,077,913	13,232,549	2.82	4,698,750	1.20†	7,862,549	5,607,631	49,629,000
1954	5,828,760	215,923,244	27,231,414	12,752,975	2.65	4,816,218	1.20†	7,114,475	6,427,030	49,415,000
1955	5,616,793	201,718,743	17,274,396	8,026,152	1.67	4,816,218	1.20	2,246,691	7,186,735	50,011,000
1956	5,864,034	214,692,297	19,786,812	9,751,671	2.02	4,821,968	1.20	3,970,484	7,352,741	52,528,000
1957	6,116,077	227,224,930	19,955,587	9,777,599	2.03	4,822,068	1.20	3,991,177	7,508,440	53,238,000
1958	6,982,022	257,112,848	22,489,222	10,836,305	2.25	4,822,518	1.20	5,049,659	8,496,850	57,620,000
1959	8,064,756	295,992,022	29,075,116	13,028,672	2.69	4,851,698	1.25	6,988,311	10,082,726	62,843,000
1960	8,477,099	308,755,069	33,451,482	15,415,910	3.15	4,891,539	1.40	8,595,865	10,580,827	65,309,000
1961	8,508,286	309,807,214	30,873,888	15,115,680	3.08	4,904,491	1.50	7,769,730	11,157,507	66,232,000

‡Shares outstanding at December 31.

†In addition to cash dividends of \$3.00 per share paid in 1933 and \$1.00 per share in 1935, there was a distribution of 18,000 shares of The Borden Company stock in 1933 and 9,000 shares of The Borden Company stock in 1935.

‡In addition to cash dividend of \$1.20 per share paid in 1953 and 1954, a 5% dividend in shares of the corporation was distributed on December 30, 1953; and a 2½% dividend in shares of the corporation was distributed on December 30, 1954.

*Presidential Order effective March 1 reduced quantity of grains used in brewing to 70% of 1945 usage. Reduction remained in effect until September 1 when usage was increased to 85%, restriction removed on December 1.



10 YEAR SUMMARY OF FINANCIAL CONDITION

ASSETS

CURRENT ASSETS:

Cash	\$ 11,874,327	\$ 10,506,716	\$ 11,791,655	\$ 9,789,373	\$ 11,917,955	\$ 13,140,748	\$ 18,478,350	\$ 19,773,495	\$ 11,716,696	\$ 20,105,699
Marketable securities, at cost which approximates market	14,165,937	14,218,484	7,845,824	8,942,292	22,344,250	12,997,734	1,603,626	5,583,526	4,889,879	9,463,477
Accounts and notes receivable less allowance for doubtful accounts	13,054,390	13,736,625	13,330,476	13,387,094	11,800,600	10,497,437	10,135,796	9,100,357	7,781,676	9,726,364
Inventories, at lower of cost or market	26,099,885	24,942,413	25,367,627	23,125,803	21,163,921	22,784,452	22,213,206	25,405,591	25,891,243	24,821,310
Total current assets	65,194,539	63,404,238	58,335,582	55,244,562	67,226,726	59,420,371	52,430,978	59,862,969	50,279,494	64,116,850

INVESTMENTS AND OTHER

ASSETS:

Investment and advances— St. Louis National Baseball Club, Inc.	3,150,000	3,150,000	3,150,000	3,150,000	3,300,000	4,300,000	4,574,720	4,375,061	3,804,561	
Busch Stadium, less accumulated depreciation	1,403,052	1,579,747	1,772,643	1,933,498	2,017,332	2,108,894	2,075,497	2,155,288	1,071,606	
Deferred charges and miscel- laneous non-current assets	3,074,269	4,079,212	4,192,819	4,193,558	3,730,244	3,018,539	3,829,793	3,087,865	2,706,477	2,580,667
	7,627,321	8,808,959	9,115,462	9,277,056	9,047,576	9,427,433	10,480,010	9,618,214	7,582,644	2,580,667

PROPERTY, at cost:

Plant and branch properties— Land	6,180,222	7,463,407	6,651,864	6,580,948	4,886,216	4,762,748	4,763,622	4,068,202	3,515,510	3,568,154
Buildings	80,468,791	77,964,760	74,101,182	65,758,634	63,434,713	63,248,140	62,048,482	59,976,250	49,105,131	45,072,252
Machinery and equipment	114,114,740	109,108,500	102,430,671	91,135,142	83,460,490	80,826,502	79,588,416	76,810,851	65,124,756	60,691,859
Construction in progress	10,512,154	7,384,545	4,449,790	11,951,945	1,860,747	698,539	672,151	2,200,538	14,798,570	3,614,727
Other real estate	2,326,442	2,241,020	1,110,786	1,069,077	874,665	873,552	865,221	928,287	1,069,368	1,120,128
	213,602,349	204,162,232	188,744,293	176,495,746	154,516,831	150,409,481	147,937,892	143,984,128	133,613,335	114,067,120
Less accumulated depreciation	97,828,383	91,448,766	82,462,905	73,849,600	66,391,656	60,213,256	54,193,195	47,904,236	42,404,904	37,311,074
	115,773,966	112,713,466	106,281,388	102,646,146	88,125,175	90,196,225	93,744,697	96,079,892	91,208,431	76,756,046
TOTAL	\$188,595,826	\$184,926,663	\$173,732,432	\$167,167,764	\$164,399,477	\$159,044,029	\$156,655,685	\$165,561,075	\$149,070,569	\$143,453,563

LIABILITIES

	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952
CURRENT LIABILITIES:										
Current maturity of notes payable	\$ 7,175,626	\$ 900,000	\$ 6,096,217	\$ 7,600,144	\$ 5,302,578	\$ 5,045,500	\$ 795,000	\$ 1,540,000	\$ 785,000	\$ 5,189,207
Accounts payable	2,434,328	2,364,425	2,166,329	1,712,569	1,933,802	1,741,484	1,513,316	1,246,708	1,283,542	1,318,267
Accrued salaries and wages	2,932,772	2,788,604	2,522,823	1,385,758	1,240,779	1,174,101	1,119,433	877,346	658,323	560,515
Estimated federal and state income taxes	10,290,000	11,880,000	10,680,000	8,290,000	7,787,000	8,549,500	8,820,000	14,765,000	22,950,000	19,230,000
Tax notes	9,509,275	10,395,386	9,841,219	6,452,516	2,921,982	5,796,147	8,159,329	5,000,000	22,650,000	16,350,000
Other accrued liabilities	741,274	604,073	542,264	547,115	559,756	507,065	478,053	946,180	564,009	552,320
Total current liabilities	14,064,725	15,063,537	12,166,414	13,083,070	13,901,933	11,221,503	9,878,736	19,490,797	8,574,766	10,500,309
LONG-TERM DEBT:										
3 3/4% debentures maturing 1963 to 1977, less \$2,133,000 in treasury in 1961	20,202,000	22,693,000	23,016,000	23,060,000	27,231,000	28,549,000	31,275,000	32,765,000	34,255,000	35,000,000
4% notes payable in 1963	900,000	1,800,000	2,700,000	2,700,000			325,000	375,000	425,000	
Mortgage on Busch Stadium	21,102,000	24,493,000	25,716,000	25,760,000	27,231,000	28,549,000	31,600,000	33,140,000	34,680,000	35,000,000
CAPITAL STOCK AND SURPLUS:										
Common stock, \$4 par value, authorized 6,000,000 shares (158,038 shares reserved under stock option plan); issued 4,925,898 shares in 1961	19,703,592	19,651,784	19,492,420	19,375,700	19,373,900	19,373,500	19,372,500	19,372,500	18,900,000	18,000,000
Capital surplus (principally arising from stock dividends)	9,724,428	9,486,991	8,722,112	8,301,819	8,295,128	8,293,687	8,289,937	8,289,937	5,705,625	
Earned surplus (\$54,130,463 restricted as to payment of cash dividends under debenture indenture)	124,478,133	116,708,403	108,112,538	101,124,227	96,074,568	92,083,391	88,112,907	85,866,216	81,808,553	80,551,629
Less cost of 21,407 shares of treasury stock	153,906,153	145,847,178	136,327,070	128,801,746	123,743,596	119,750,578	115,775,344	113,528,653	106,414,178	98,551,629
	477,052	477,052	477,052	477,052	477,052	477,052	598,395	598,375	598,375	598,375
	153,429,101	145,370,126	135,850,018	128,324,694	123,266,544	119,273,526	115,176,949	112,930,278	105,815,803	97,953,254
Per share	31.28	29.72	28.00	26.61	25.56	24.74	23.89	23.42	21.94	20.31
TOTAL	\$188,595,826	\$184,926,663	\$173,732,432	\$167,167,764	\$164,399,477	\$159,044,029	\$156,655,685	\$165,561,075	\$149,070,569	\$143,453,563



EBERHARD ANHEUSER



WILLIAM S. ANHEUSER
Triple A Ranch, Jonesburg, Missouri



DAVID R. CALHOUN, JR.
President,
St. Louis Union Trust Company



HOW ANHEUSER-BUSCH IS RUN...

From corporate policy to satisfied customers

Policies of Anheuser-Busch, Inc., are made by its Board of Directors. These are the major decisions that deal with financing, new plants and plant expansion, new products and expansion of sales areas, appropriation of funds for operating purposes, appointment of officers of the corporation, and the like.

These policies are carried out by the executive staff and the people in the various departments, sometimes with the help of outside agencies and consultants.

However, the focal point of all of these decisions and the enormous coordinated effort to carry them out is the customer—the person who buys and uses our products.

But Anheuser-Busch has many millions of customers—people who buy and use its products. It would never be able to reach all of these customers at the crucial point of sale with its own employees—more than 8,000 in number—because most of them

are engaged in manufacturing and administrative work.

That is why Anheuser-Busch must count upon many thousands of people outside its own organization to complete the policy decisions made by its Board of Directors. These are the sales and service people employed by the more than 900 wholesalers that distribute our products and the nearly 400,000 retailers that sell to the public.

The photographs on these and the following pages tell the story of how the corporate and managerial decisions of Anheuser-Busch are carried out where they count most—at the point of contact with our millions of customers. While this picture story deals with sales of beer—the company's main product—the story it tells is true in principle about all of the company's products, including bakers yeast, corn syrup, and starches.



J. W. McAFEE
President,
Union Electric Co. of Missouri



R. A. MEYER
Vice President and General Manager



ADOLPH B. ORTHWEIN

DIRECTORS



JOHN FLANIGAN
Vice President



A. VON GONTARD
Vice Chairman of the Board



ANDREW W. JOHNSON
Vice President,
International Shoe Company



AUGUST A. BUSCH, JR.
President and Chairman of the Board



JOHN F. KREY II
President,
Krey Packing Company



H. NORRIS LOVE
President,
Ideal Roller and Manufacturing Co., Inc.
Chicago



CURT H. REISINGER



ETHAN A. H. SHEPLEY
Chairman of the Board,
Washington University



JOHN L. WILSON
President,
Universal Match Corporation



Policy decisions flow from the board of directors, through the president, the vice president and general manager, to four main divisions and then to the operating level.

EXECUTIVE COMMITTEE
OF BOARD OF DIRECTORS

BOARD OF
DIRECTORS

PRESIDENT
AND CHAIRMAN
OF THE
BOARD

SENIOR
VICE PRESIDENT
BREWING

VICE PRESIDENT
OPERATIONS

VICE PRESIDENT
BREWING

VICE PRESIDENT
PURCHASING

VICE PRESIDENT
TRAFFIC

VICE PRESIDENT
AND GENERAL
PLANTS MANAGER

DIRECTOR
QUALITY CONTROL

CHIEF
ENGINEER

DIRECTOR
BREWERY
RESEARCH

DIRECTOR
PRODUCT
DEVELOPMENT

SUPERINTENDENT
BREWING
MATERIALS

ASSISTANT
GENERAL
PLANTS MANAGER

MANAGER
MATERIAL CONTROL

DIRECTOR
INDUSTRIAL
ENGINEERING

SUPERVISOR
PLANT PROTECTION

MANAGER
PACKAGE
ENGINEERING

CENTRAL
PLANNING
COORDINATOR

MANAGER
MERCHANDISING

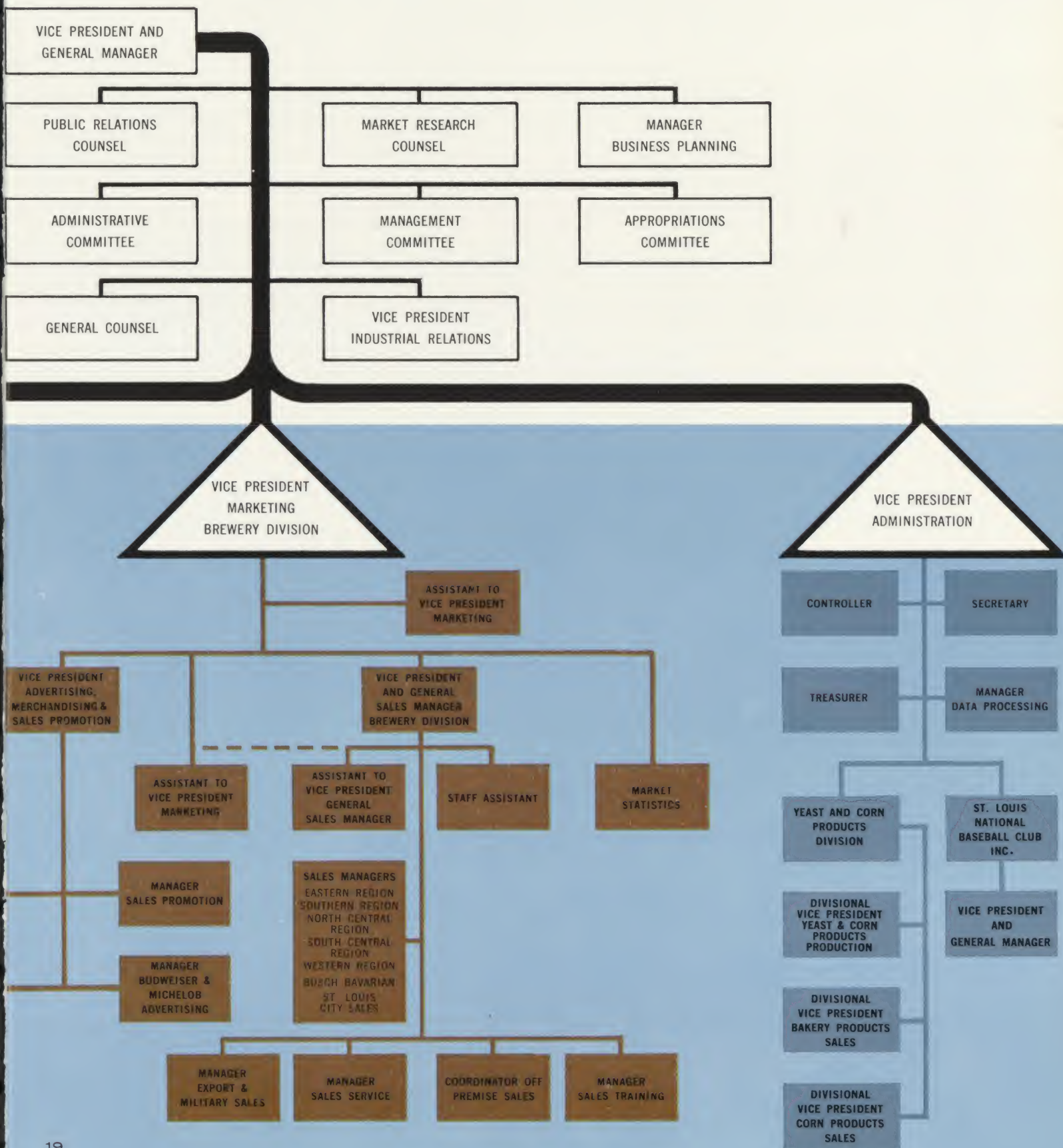
RESIDENT
BREWMASTERS

ST. LOUIS
NEWARK
LOS ANGELES
TAMPA

PLANT
MANAGERS

ST. LOUIS
NEWARK
LOS ANGELES
TAMPA

MANAGER
BUSCH BAVARIAN
ADVERTISING





Service for the retailer. When a retailer wants to place an order in a hurry, he calls the Anheuser-Busch branch or wholesaler in his area. The order is taken and given prompt attention.

The driver-salesman works hand-in-hand with the store owner or manager in stocking our products. He also keeps the store manager aware of the importance of stock rotation and the importance of keeping the display well stocked.





◀ The branch salesman does more than just take orders. He discusses special problems a retailer might have and tries to help solve them. He also helps him plan point-of-purchase materials, discusses decoration for the bar and helps the retailer to serve his customers the best glass of beer possible.

A typical Budweiser wholesaler plans the day with one of his salesmen. In this way the most is accomplished every working day and new company policies can be outlined so the salesman can explain them to his customers.

▼

The wholesaler's salesman helps a customer display the products. He helps his customer with special promotions that increase sales and profits for the retailer.

▼





▲
A cooler full of Busch Bavarian Beer makes a day on the water an even more enjoyable experience. Marina owners, ski lodge proprietors and others who serve people who enjoy outdoor sports often suggest Busch Bavarian to their customers.



Michelob, the world's most distinguished draught beer, is sold in establishments of good taste across the country.

The bartender gives Michelob added appeal with his skill in drawing and serving this product. ▼



▼ "Pick-A-Pair of Six Packs —Buy Bud'". Often heard or read, this Anheuser-Busch promotion is one of the most successful in the brewing industry. As a result of the teamwork between our salesmen and the retailer, more than 21 million Budweiser six-packs were sold during the 1961 promotion.

▼ Budweiser with dinner. You'll see Budweiser being served in the nation's finest restaurants. The brand choice is frequently suggested by our friend, the waitress.





... QUALITY
A·B
PRODUCTS



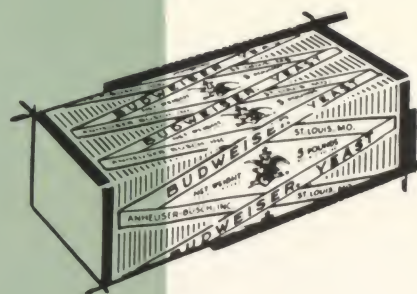
Abinco, A-B, Delta,
Budweiser, Michelob, Bud, Busch
are registered trademarks of Anheuser-Busch, Inc.

TABLE SYRUPS

Corn syrup, refined at the St. Louis plant, is blended with cane sugar and other ingredients at the New Orleans plant to produce the company's line of table syrups.

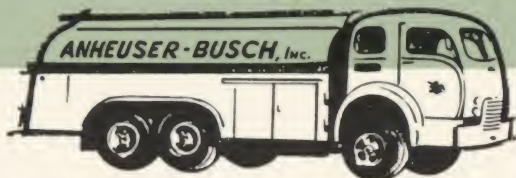
BUDWEISER BAKERS YEAST

Produced at the St. Louis, Mo., and Old Bridge, N. J., plants, Anheuser-Busch is the second largest domestic supplier of bakers yeast.



CORN SYRUPS

Sold nationally in tank cars, tank trucks, and drums to confectioners, syrup mixers, canners, bakers and ice cream manufacturers.



GUARD®

Used in the baking industry as a mold inhibitor for bread and cakes.

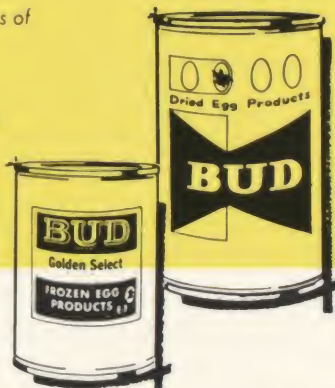


DRIED YEASTS

These products are used as flavoring agents to impart cheese, chicken or meat flavors to foods, as sources of protein and as sources of the natural B vitamin complex.

BUD® BRAND EGGS

The company produces a complete line of frozen and dried solids for the baking industry and other food processors.



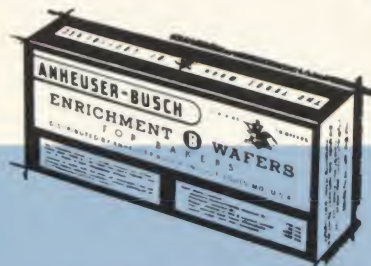
COTTON MAID® LAUNDRY STARCH

This starch is produced in both the liquid and spray types and is available in retail stores in the southern part of the country.



A-B BAKING POWDER AND BAKERS CREAM

These products are used as leaveners for all types of cakes.

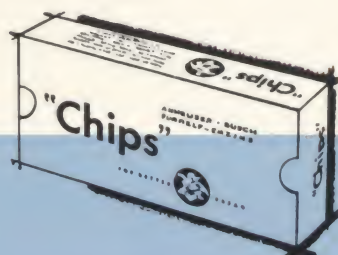


A-B ENRICHMENT WAFERS

This product provides the essential vitamins required for "vitamin enriched" white bread.

STARCHES, GUMS AND DEXTRINES

These products are widely used in the manufacturing and processing of paper, textiles, food and even in the drilling of oil wells.



"CHIPS" (Diastatic Supplement)

An enzyme in wafer form, it is used as a dough conditioner in the baking industry.

D-S (Diastatic Supplement)

A diastated barley flour, it is used in the baking industry as a dough conditioner.

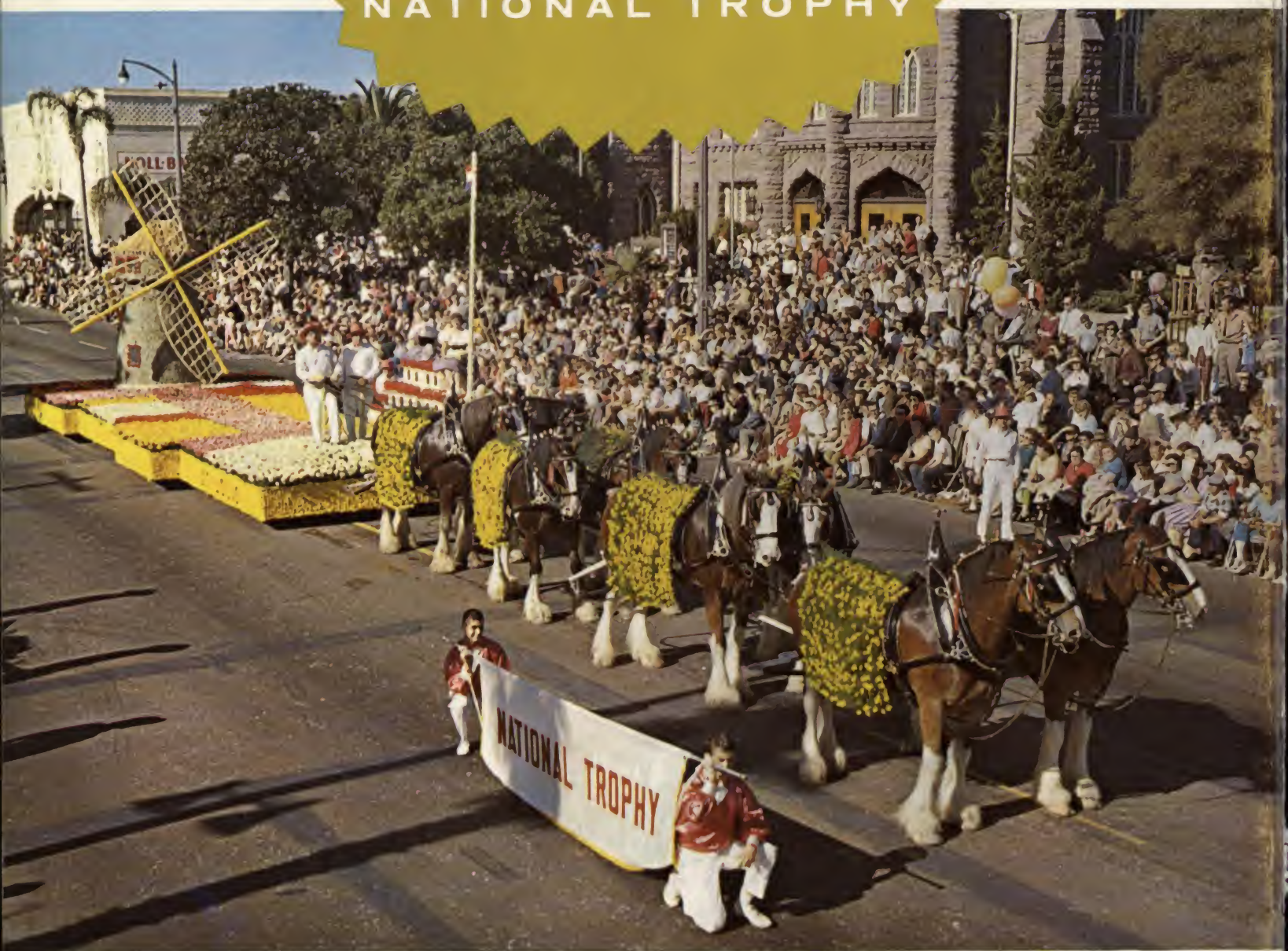
ANHEUSER-BUSCH A-B YEAST FOOD®

A yeast nutrient and water and dough conditioner, it is used in making bread and rolls.



TOURNAMENT OF ROSES ENTRY

WINNER OF THE
NATIONAL TROPHY



"THE WAYS OF OLDE HOLLAND"

ENTERED FOR THE CITY OF ST. LOUIS / JANUARY 1, 1962